

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-09 ISO-00 SP-02 USIA-15 AID-05
NSC-05 EPG-02 SS-15 STR-04 OMB-01 CEA-01 L-03
H-02 PA-02 PRS-01 CIAE-00 COME-00 FRB-01 INR-07
NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 /110 W
-----031259Z 052962 /53

P R 031045Z JUN 77
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC PRIORITY 8348
TREASURY DEPT WASHDC PRIORITY
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME

UNCLAS SECTION 1 OF 2 TOKYO 8262

BRUSSELS FOR USEEC

PARIS ALSO FOR USOECD

E.O. 11652: N/A
TAGS: EFIN, JA
SUBJECT: JAPAN'S GNP IN JAN-MAR 1977 AND FISCAL YEAR 1976

1. SUMMARY: NATIONAL ACCOUNTS STATISTICS RELEASED JUNE 2
BY ECONOMIC PLANNING AGENCY SHOW JAPAN'S REAL GNP,
SEASONALLY ADJUSTED, ROSE 2.5 PERCENT FROM PRIOR QUARTER
IN JAN-MAR 1977, THE FINAL QUARTER OF FISCAL YEAR (JFY)
1976. AS RESULT OF THIS STRONG PERFORMANCE, WHICH WORKS
OUT TO 10 PERCENT SAAR, JFY 76 REAL GNP GROWTH WAS 5.8
PERCENT, SLIGHTLY ABOVE GOVT TARGET OF 5.7 PERCENT
INCREASE. LATEST DATA INDICATE PICKUP IN
DOMESTIC RECOVERY PACE AS FINAL DOMESTIC DEMAND GREW AT
BETTER THAN 7 PERCENT ANNUAL RATE IN JAN-MAR 1977. WHILE
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JAN-MARCH GROWTH WAS AIDED BY STRONG INCREASE IN NET
EXPORTS, REBOUND IN PRIVATE HOUSING INVESTMENT AND
PICKUP IN GOVT FIXED CAPITAL FORMATION, BOTH DEVELOPMENTS
REFLECTING RECENT GOVT EFFORTS TO STIMULATE ECONOMY, ALSO
CONTRIBUTED TO SOLID JAN-MARCH GNP ADVANCE. HOWEVER,
ALMOST ONE-THIRD OF JFY 76 REAL GNP GROWTH RESULTED FROM RISE
IN NET EXPORTS; INCREASE IN FINAL DOMESTIC DEMAND IN FY

WAS 2.7 PERCENT. END SUMMARY.

2. JAPAN'S REAL GNP, S.A., ROSE 2.5 PERCENT IN JAN-MARCH 1977, WHICH WORKS OUT TO 10 PERCENT SAAR. THE LARGEST QUARTERLY INCREASE IN A YEAR WAS MAINLY RESULT OF A STRONG RISE IN NET EXPORTS AS SEASONALLY ADJUSTED REAL EXPORTS OF GOODS AND SERVICES INCREASED 6.2 PERCENT FROM OCT-DEC LEVEL AND REAL IMPORTS DECLINED 3.5 PERCENT. HOWEVER, DOMESTIC SECTOR ALSO CONTRIBUTED TO FIRST QUARTER 1977 ADVANCE WITH PRIVATE HOUSING INVESTMENT UP 7.4 PERCENT, GOVT FIXED CAPITAL INVESTMENT UP 4.7 PERCENT, AND PRIVATE CONSUMPTION UP 1.3 PERCENT FROM PRIOR QUARTER. CONSEQUENTLY, JAN-MAR QUARTERLY INCREASE IN FINAL DOMESTIC DEMAND WAS HEFTY 1.8 PERCENT, OR OVER 7 PERCENT AT SAAR.

3. STRONG GROWTH RECORDED IN FIRST QUARTER 1977, WHICH WAS FINAL QUARTER OF FISCAL YEAR 1976, BOOSTED JFY 1976 REAL GNP INCREASE TO 5.8 PERCENT, SURPASSING GOVT TARGET OF 5.7 PERCENT INCREASE. PRESS REPORTS HAVE UNIFORMLY NOTED DIFFERENCE BETWEEN STRONG GNP PERFORMANCE AND MUCH SLOWER ADVANCE IN FINAL DOMESTIC DEMAND, WHICH INCREASED BY ONLY 2.7 PERCENT IN JFY 1976. ALTHOUGH BOTH EXPORTS AND IMPORTS ADVANCED LAST FISCAL YEAR, THE 17.8 PERCENT INCREASE IN REAL EXPORTS WAS NEARLY DOUBLE THE 9.2 PERCENT INCREASE IN REAL IMPORTS. ONLY DOMESTIC SECTOR WHICH GREW AT FASTER PACE THAN GNP IN JFY 1976 WAS PRIVATE HOUSING INVESTMENT, WHICH ROSE 6.3 PERCENT. HOWEVER, THE 4.2 PERCENT INCREASE IN GOVT FIXED CAPITAL INFORMATION, AS WELL AS STEADY, IF UNSPECTACULAR, 3.7 PERCENT GROWTH IN UNCLASSIFIED

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PRIVATE CONSUMPTION AND SHIFT IN PRIVATE PLANT AND EQUIPMENT INVESTMENT TO 3.4 PERCENT INCREASE IN JFY 1976 AFTER 9.3 PERCENT DECLINE IN PRIOR FISCAL YEAR ALSO CONTRIBUTED TO OVERALL GNP ADVANCE.

4. FOLLOWING TABLE SHOWS GNP AND OTHER NATIONAL EXPENDITURE ACCOUNTS FOR FISCAL YEAR 1975 AND FISCAL YEAR 1976 (APRIL 1976 - MARCH 1977) IN BIL YEN, NOT SEASONALLY ADJUSTED AT CURRENT PRICES AND 1970 PRICES. PERCENT CHANGE FROM PRIOR YEAR SHOWN IN PAREN BELOW EACH VALUE.

AT CURRENT PRICES AT CY 1970 PRICES

FY 1975 FY 1976 FY 1975 FY 1976

PVT CONSUMPTION 84,941.5 95,495.4 50,145.1 52,020.4
(15.7) (12.4) (5.7) (3.7)

PVT HOUSING 11,081.5 12,852.1 6,566.6 6,978.5

INVESTMENT (15.1) (16.0) (13.4) (6.3)

PVT PLANT AND 20,653.1 22,241.2 14,349.0 14,831.4

EQUIP INVEST (-9.1) (7.7) (-9.3) (3.4)

CHANGE IN PVT 1,635.6 2,787.3 1,113.5 1,667.0

INVENTORIES (-57.6) (70.4) (-56.6) (49.7)

GOVT FIXED CAP- 13,950.2 15,351.1 8,943.4 9,314.6

TAL FORMATION (9.3) (10.0) (7.6) (4.2)

CHANGE IN GOVT 421.5 264.5 193.0 96.4

INVENTORIES (75.1) (-37.2) (221.2) (-50.1)

NET EXPORTS (GOODS 148.3 1,465.9 3,779.8 5,374.4

AND SERVICES) (-126.5) (888.5) (50.0) (42.2)

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(EXPORTS) 20,644.2 24,556.6 14,513.9 17,093.2

(1.2) (18.1) (3.8) (17.8)

(IMPORTS) 20,644.2 23,090.7 10,734.1 11,718.8

(-2.2) (11.9) (-6.3) (9.2)

GNP 149,501.0 168,937.2 93,259.6 98,678.2

(9.7) (13.0) (3.4) (5.8)

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NSC-05 EPG-02 SS-15 STR-04 OMB-01 CEA-01 L-03

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NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 /110 W

-----031258Z 052697 /53

P R 031045Z JUN 77

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC PRIORITY 8349

TREASURY DEPT WASHDC PRIORITY

INFO AMEMBASSY BONN

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BRUSSELS FOR USEEC
 PARIS ALSO FOR USOECD

5. FOLLOWING TABLE SHOWS QUARTERLY GNP AND OTHER NATIONAL
 EXPENDITURE ACCOUNTS FOR FISCAL YEAR 1976 AT SEASONALLY
 ADJUSTED ANNUAL RATES IN BIL OF YEN AT CURRENT PRICES. PERCENT
 CHANGE FROM PRIOR QUARTER SHOWN IN PAREN BELOW EACH VALUE.

	1976		1977	
	APR-JUN	JUL-SEP	OCT-DEC	JAN-MAR
PVT CONSUMPTION	91,607.0	94,538.4	96,523.7	99,226.4
	(2.8)	(3.2)	(2.1)	(2.8)
PVT HOUSING	12,474.2	12,973.2	12,558.2	13,437.3
INVESTMENT	(3.0)	(4.0)	(-3.2)	(7.0)
PVT PLANT AND	21,500.2	22,059.3	22,618.3	22,726.8
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EQUIP INVEST	(2.8)	(2.6)	(2.5)	(0.5)
CHANGE IN PVT	2,600.4	3,130.0	3,750.8	1,668.0
INVENTORIES	(273.0)	(20.4)	(19.8)	(-55.5)
GOVT CONSUMPTION	18,168.5	19,018.1	18,073.1	19,040.8
	(3.5)	(4.7)	(-5.0)	(5.4)
GOVT FIXED CAPITAL	15,505.7	15,454.4	14,894.5	15,636.4
FORMATION	(8.2)	(-0.3)	(-3.6)	(5.0)
CHANGE IN GOVT	77.2	- 108.8	974.4	115.2
INVENTORIES	(-73.6)	(--)	(--)	(-88.2)
NET EXPORTS (GOODS	1,875.0	508.2	692.7	2,917.6
AND SERVICES)	(16.6)	(-72.9)	(36.3)	(321.2)
(EXPORTS)	24,096.2	23,740.7	24,481.7	26,026.2
	(5.0)	(-1.5)	(3.1)	(6.3)
(IMPORTS)	22,221.2	23,232.5	23,789.0	23,108.6
	(4.1)	(4.6)	(2.4)	(-2.9)

GNP	163,808.2	167,572.7	170,085.7	174,768.5
	(4.6)	(2.3)	(1.5)	(2.8)

6. FOLLOWING TABLE SHOWS QUARTERLY GNP AND OTHER NATIONAL EXPENDITURE ACCOUNTS FOR FISCAL YEAR 1976 AT SEASONALLY ADJUSTED ANNUAL RATES IN BIL OF YEN AT 1970 PRICES. PERCENT CHANGE FROM PRIOR QUARTER SHOWN IN PAREN BELOW EACH VALUE.

	1976		1977	
	APR-JUN	JUL-SEP	OCT-DEC	JAN-MAR
PVT CONSUMPTION	51,431.6	51,848.0	52,078.1	52,729.8
	(0.3)	(0.8)	(0.4)	(1.3)
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PVT HOUSING	7,030.1	7,035.4	6,690.7	7,188.0
INVEST ZFT	(-1.1)	(0.1)	(-4.9)	(7.4)

PVT PLANT AND EQUIP INVEST	14,623.1	14,686.6	14,986.0	15,016.2
	(1.2)	(0.4)	(2.0)	(0.2)

CHANGE IN PVT INVENTORIES	1,069.2	1,869.4	2,141.2	1,588.0
	(6.8)	(74.8)	(14.5)	(-25.8)

GOVT CONSUMPTION	8,339.3	8,342.4	8,424.6	8,480.7
	(-0.8)	(0.0)	(1.0)	(0.7)

GOVT FIXED CAPITAL FORMATION	9,474.0	9,499.0	8,973.1	9,391.9
	(4.3)	(0.3)	(-5.5)	(4.7)

CHANGE IN GOVT INVENTORIES	173.2	- 41.2	204.0	49.6
	(-3.8)	(--)	(--)	(-75.7)

NET EXPORTS (GOODS AND SERVICES)	5,270.3	4,667.4	5,076.6	6,560.7
	(9.9)	(-11.4)	(8.8)	(29.2)

(EXPORTS)	16,532.2	16,540.4	17,156.8	18,213.4
	(4.9)	(0.0)	(3.7)	(6.2)

(IMPORTS)	11,261.9	11,873.0	12,080.2	11,652.7
	(2.7)	(5.4)	(1.7)	(-3.5)

GNP	97,410.8	97,907.0	98,574.3	101,004.9
	(1.1)	(0.5)	(0.7)	(2.5)

7. COMPARISON OF DIFFERENCES IN QUARTERLY CHANGES IN GNP AND FINAL DOMESTIC DEMAND SINCE JULY-SEP 1976 POINTS UP RECENT STRENGTHENING OF DOMESTIC RECOVERY HERE. IN ADDITION, COMPARISON OF FINAL DOMESTIC DEMAND AND DOMESTIC DEMAND (I.E.,

INCLUDING INVENTORY CHANGES) FOR JULY-SEP 1976 AND OCT-DEC
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1976 HIGHLIGHTS INCREASE IN DOMESTIC INVENTORIES WHICH OCCURRED
IN LATTER HALF OF CY 1976. FINALLY, SHARP DECLINE IN MAGNITUDE
OF GNP DEFLATOR IN FIRST QUARTER 1977 RESULTED IN REAL GNP
INCREASE WHICH WAS QUITE CLOSE TO PERCENTAGE RISE IN NOMINAL
GNP.

CHANGES IN SELECTED NATIONAL ACCOUNTS AGGREGATES
AND RELATED DATA FOR JFY 1976 AND RECENT QUARTERS

RECENT QUARTERS, S.A.

JFY 76 JUL-SEP 76 OCT-DEC 76 JAN-MAR 77

GNP	5.8	0.5	0.7	2.5		
FINAL DOMESTIC DEMAND	2.7	0.6	-0.3	1.8		
DOMESTIC DEMAND	4.3	1.2	0.3	1.0		
GNP DEFLATOR /1/	6.8	1.8	0.8	0.3		

NOTE: /1/ - SINCE PUBLISHED QUARTERLY DEFLATOR ESTIMATES ARE NOT
SEASONALLY ADJUSTED, QUARTERLY DEFLATOR FIGURES PRESENTED HERE
ARE IMPLICIT DEFLATOR ESTIMATES DERIVED FROM REAL GNP AND NOMINAL
GNP DATA.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GNP, DATA
Control Number: n/a
Copy: SINGLE
Sent Date: 03-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TOKYO08262
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770198-0596
Format: TEL
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770691/aaaadbsb.tel
Line Count: 308
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a99f4685-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
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